

Message Text

LIMITED OFFICIAL USE

PAGE 01 DACCA 04204 291117Z

ACTION AID-59

INFO OCT-01 NEA-10 ISO-00 IGA-02 AGRE-00 SSO-00 L-03

EB-08 TRSE-00 OMB-01 /084 W

-----001010 291119Z /10

O 291037Z JUL 77

FM AMEMBASSY DACCA

TO SECSTATE WASHDC IMMEDIATE 5596

LIMITED OFFICIAL USE DACCA 4204

PASS AID/ASIA/BIS

E.O. 11652: N/A

TAGS: EAID, EAGR, BG

SUBJ: PL 480 TITLE I AMENDMENT - VEGOIL

1. THE INITIAL FORMAL NEGOTIATING SESSION WAS HELD ON JULY 29, WITH FAKRUDDIN AHMED, JOINT SECRETARY, PLANNING COMMISSION AND REPRESENTATIVES OF THE MINISTRIES OF AGRICULTURE, COMMERCE, AND FOOD IN ATTENDANCE. U.S. TEAM WAS COMPOSED OF ACTING USAID DIRECTOR, AGATT, AND ECONOMIC OFFICER OF THE EMBASSY.

2. FOLLOWING ON THE DRAFT DIPLOMATIC NOTE PRESENTED TO THE JOINT SECRETARY, MINISTRY OF FOOD, ON JULY 20, THE TWO TEAMS REVIEWED THE LANGUAGE AND MADE THE FOLLOWING POINTS:

A. QUANTITY TO BE SUPPLIED. DR. AHMED READ FROM A CABLE FROM WASHINGTON DATED 7/26 WHICH INDICATED THE BANGLADESH EMBASSY HAD REQUESTED AN ADDITIONAL REPEAT ADDITIONAL 10,000 MT OF CRUDE DRUMMED SOYBEAN OIL. WE REPLIED WE HAD NO KNOWLEDGE OF A REQUEST FOR EITHER CRUDE OIL OR AN ADDITIONAL 10,000 MT. FROM THE WORDING OF THE TELEX IT IS POSSIBLE THAT WHAT WAS REQUESTED IN WASHINGTON WAS CRUDE IN PLACE OF REFINED OIL. IF NO ADDITIONAL AMOUNT OF OIL IS CONTEMPLATED THEN

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 DACCA 04204 291117Z

THE GOVERNMENT REQUESTED THAT THE VALUE OF 10,000 MT OF REFINED SOYBEAN OIL BE RETAINED BUT THAT THE QUANTITIES BE CHANGED TO 6,000 MT OF REFINED SOYBEAN OIL AND THE RESIDUAL VALUE IN CRUDE SOYBEAN OIL. THIS WOULD MEET THE IMMEDIATE REQUIREMENTS OF BOTH THE MINISTRY OF FOOD FOR THE RATION SYSTEM AND THE MINISTRY OF INDUSTRY FOR SUPPLYING THE OIL REFINING PLANTS. PLEASE CLARIFY REPORTED REQUEST FOR ADDITIONAL 10,000

MT. IF AMOUNT REMAINS FIXED AT 10,000 MT, PLEASE INDICATE IF ROUGHLY 60/40 SPLIT REFINED/CRUDE COULD BE SUBSTITUTED FOR EQUIVALENT VALUE OF 10,000 MT REFINED SOYBEAN OIL. ALL QUANTITIES REQUESTED ARE IN DRUMS.

B. EXPORT LIMITATION. UNDER PART II ITEM IV THE GOVERNMENT ASKED FOR A WAIVER OF THIS LIMITATION ON GROUNDNUTS. THEY STATED THAT THE TOTAL GROUNDNUT PROCESSING CAPACITY IN THE COUNTRY IS 10,000 MT OF SEED PER YEAR. THE PLANNED GROUNDNUT SEED PRODUCTION THIS YEAR WILL BE 39,000 MT. THIS INCREASED PRODUCTION WILL BE THE RESULT OF CROP EXPANSION EFFORTS USING IMPORTED SENEGAL SEEDS WHICH HAVE BEEN MULTIPLIED BY THE MINISTRY OF AGRICULTURE. THE GOVERNMENT WOULD LIKE TO HAVE THE ABILITY TO EXPORT THE SURPLUSES ABOVE THEIR PROCESSING CAPACITY IF THEIR EXPANDED PRODUCTION SUCCEEDS. A SMALL AMOUNT, APPROXIMATELY 380 TONS, WAS EXPORTED UNDER A SIMILAR WAIVER LAST YEAR. THE U.S. TEAM MADE THE POINT SHOULD BE MADE TO INCREASE THE PROCESSING CAPACITY AT THE SAME TIME. THE MISSION FEELS THAT CONSIDERING OUR INTERESTS IN EXPANDING PRODUCTION AND THE GOVERNMENT'S EFFORTS TO DO SO, THEY SHOULD BE GRANTED A WAIVER FOR EXPORT OF THE SURPLUS GROUNDNUT PRODUCTION WITH THE PROVISIO THAT THEY WILL MAKE EFFORTS TO EXPAND THE PROCESSING CAPACITY SO THE OIL MAY BE USED DOMESTICALLY. THIS PROVISIO WOULD BE NOTED IN APPROPRIATE MINUTES. WE WOULD THEREFORE PROPOSE FOR THIS YEAR AMENDING THE LANGUAGE UNDER SUBPARA B. TO READ QUOTE INCLUDING LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 DACCA 04204 291117Z

SOYBEAN OIL, SESAME OIL, RAPESEED OIL AND ANY OTHER EDIBLE OIL BEARING SEEDS, EXCEPT GROUNDNUTS, FROM WHICH OILS ARE PRODUCED. UNQUOTE.

C. UNDER PART II ITEM V SUBPARAGRAPH C. ITEM 12 THE GOVERNMENT MADE THE FOLLOWING CASE. THEY STATED THAT FOR OIL SEEDS, OTHER THAN GROUNDNUT AS DESCRIBED ABOVE, THE PROCESSING CAPACITY WAS FAR IN EXCESS OF CURRENT PRODUCTION. THE MINISTRY OF AGRICULTURE REPRESENTATIVE CONFIRMED THAT THEY HAD NOT OBSERVED A CONSTRAINT ON PRODUCTION BECAUSE OF LACK OF PROCESSING CAPACITY. IN FACT, CAPACITY WAS IDLE FROM LACK OF SEEDS. IT WAS ALSO NOTED BY THE ECONOMIC OFFICER THAT THE CURRENT IMPORT LIST CONTAINED PROVISION FOR OIL PROCESSING SPARE PARTS. AFTER MORE EXTENDED DISCUSSION ON CURRENT CAPACITY AND ITS CONDITION AND THE COMING YEAR'S REQUIREMENTS IT WAS FELT BY BOTH PARTIES THAT THE INCLUSION OF THE LANGUAGE PROPOSED AS ITEM 12 WAS UNNECESSARY. WE THEREFORE REQUEST DELETION OF THIS ITEM.

D. ITEM NO. 13 WAS ACCEPTED AS PROPOSED. U.S. TEAM NOTED THAT A PRODUCTION OF 200,000 MT WOULD BE A MAJOR INCREASE OVER THE 165,000 TONS PRODUCTED ON THE AVERAGE IN THE LAST THREE YEARS.

THE MINISTRY OF AGRICULTURE REPRESENTATIVE AGREED BUT SAID THEY SHOULD REACH THIS TARGET THIS YEAR THROUGH AN INTENSIVE CULTIVATION PROGRAM IN 80,000 ACRES OF MUSTARD AND THE WIDESPREAD USE OF IMPROVED VARIETIES OF SEED RECEIVED FROM UNICEF.

3. ITEM 14 ON CONSTRAINING OFFTAKES WAS ACCEPTED WITH THE CAVEAT THAT MINOR INCREASES ON THE ORDER OF TEN PERCENT ABOVE THE 3,000 MT LEVEL MIGHT OCCUR AT THE TIME OF RAMAZAN. THIS UNDERSTANDING COULD BE CONTAINED IN THE AGREED MINUTES.

F. ITEM 15 WOULD BE REVISED TO READ QUOTE 15. MAINTAIN THE VERALL RATION PRICE OF EDIBLE OIL TO EQUAL OR EXCEED THE IMPORT VALUE, C.I.F. CHITTAGONG. UNQUOTE. THIS CHANGE IS LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 DACCA 04204 291117Z

IN LINE WITH THE FACT THAT CURRENT RATION PRICES EQUAL OR EXCEED THE IMPORT VALUE AND THE GOVERNMENT INTENDS TO MAINTAIN THAT POLICY.

3. ASSUMING DECISIONS ON ITEMS 2.A., B., C., E., AND F. ABOVE, WE WOULD PROPOSE TO MATCH FINAL LANGUAGE BY WEDNESDAY, AUGUST 3, AND PROVIDE NOTIFICATION TO WASHINGTON IN TIME FOR SINGING ON AUGUST 6

4. REQUEST PRIORITY REPLY.

DECON FOLLOWING 12/31/77
BERGESEN

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AMENDMENTS, PL 480 TITLE 1, FOREIGN ASSISTANCE PROGRAMS
Control Number: n/a
Copy: SINGLE
Sent Date: 29-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977DACCA04204
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770272-0484
Format: TEL
From: DACCA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t1977076/aaaaaeld.tel
Line Count: 149
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 3a34d76b-c288-dd11-92da-001cc4696bcc
Office: ACTION AID
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 24-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1868229
Secure: OPEN
Status: NATIVE
Subject: PL 480 TITLE I AMENDMENT - VEGOIL
TAGS: EAID, EAGR, BG
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/3a34d76b-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009